


MEMORANDUM

April 24, 2008

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM:  Marlene L. Michaelson, Senior Legislative Analyst
Shondell Foster, Research Associate

SUBJECT: FY09 M-NCPPC Enterprise Fund, Property Management Fund, Advanced Land Acquisition Fund, and Follow-up Issues

This memorandum addresses follow-up issues raised at the Committee's previous meetings on the Maryland-National Capital Park and Planning Commission (M-NCPPC) FY09 Operating Budget as well as the Enterprise Fund, Advanced Land Acquisition Fund (ALARF), and the Property Management Fund. It also discusses a modification to the M-NCPPC FY09 operating budget for Wisconsin Place and Park Performance Measures. **All page references are to the FY09 M-NCPPC recommended budget; Committee Members may wish to bring a copy to the meeting, as well as the packet from the April 14 worksession.**

PARK FUND FOLLOW-UP ISSUES

This section of the memorandum revisits the reductions to the Park Fund reviewed by the Committee at the last meeting and presents M-NCPPC's request to modify their budget to add funding for the Wisconsin Place recreation center. It also discusses the Department's efforts with regards to performance measures.

Parks Follow-up Issues

The Committee considered the Park Fund budget on April 14. The Committee asked for an organization chart that displayed the number of staff in each unit and clarification of "same services". Responses to these requests are on © 1 and 2. The Department previously identified a number of non-recommended reductions that are listed in the chart on © 3 to 5. Approximately

\$5,746,000 of the reductions are attributable to the elimination of new initiatives and program enhancements. The remaining \$5.3 million represents reductions that take the Department below a same services budget for FY09. At this point Staff recommends the Committee accept all the proposed reductions, with the exception of their proposal to stop maintenance of school fields. Since it would not be feasible to stop all school field maintenance and, for a number of reasons discussed by the Council in prior years, it is not practical to ask the school system to fund this, Staff believes the Department should propose an offsetting reduction. One option would be an across the board reduction in maintenance for all fields, which would represent a 7% reduction in the amount spent on all park and school fields, however, Staff would let the Department make the determination as to how best to absorb this reduction.

Staff has further recommended that reductions that cannot be achieved by the Administration Fund be absorbed by the Park Fund. Not only did the Executive provide the Administrative Fund with half the increase of the Park Fund (2.6% as compared to 5.2%), but the Council's demands on the planning work program, combined with the current vacancy rate in the Planning Department, indicate that the proposed Executive reductions would have a far greater impact on the Planning Department than the Department of Parks. Staff will not know the exact magnitude of the reductions that could be moved to the Park Fund until the Committee completes its work on the Administration Fund on April 24.

A Committee member asked for the additional savings associated with extending the GASB phase-in from 8 to 9 or 10 years. The savings are shown below.

GASB PHASE IN		
	Savings moving from 8 to 9 years	Savings moving from 8 to 10 years
Planning	\$17,600	\$31,300
Finance	\$5,000	\$8,900
DHRM	\$3,000	\$5,300
Legal	\$800	\$1,500
Subtotal Admin. Fund	\$26,400	\$47,000
Parks	\$67,500	\$112,800
TOTAL	\$93,900	\$159,800

Since the Council must finalize the M-NCPPC budget (and will hold the Bi-County meeting) before the Management and Fiscal Policy (MFP) Committee or Council consider GASB phasing for other agencies, and since the total agency-wide savings is fairly small, Staff recommends retaining the 8-year phase-in already assumed in the agency reductions and not selecting a longer phase-in at this time.

The Council has stated a goal of placing any funding above the recommended increase on the Reconciliation List and therefore Staff recommends that any restoration of these reductions be placed on the Reconciliation List instead of the in the budget. At the last meeting, the Committee indicated an interest in placing anything that represented a cut to same services on

the Reconciliation List. As the Committee reviewed the Administration Fund budget, it took a far more conservative approach and reduced the Planning Department budget below same service while only placing limited items on the Reconciliation List. Given the approach taken for the Administration List, the large dollar amount of the items that would be added to the Reconciliation List if all cuts to parks same services were included (\$5.3 million for the Park Fund and as much as an additional \$1.4 million for reductions transferred from the Administration Fund), as well as the likely competition for what may be limited or non-existent funds for Reconciliation List items, Staff recommends that the Committee narrow the list of potential items to place on this list. Staff recommends that reductions taken to balance the Administration Fund, as well as reductions associated with non-native invasive species, be placed on the Reconciliation List. The Council should also ask the Department of Parks what their priorities would be for restoration.

Wisconsin Place Community Recreation Center

The Wisconsin Place Community Center project, located in Friendship Heights, is a small recreation center that was recommended in the Friendship Heights Sector Plan. The Planning Board required the developer of the new mixed-use project at the intersection of Wisconsin and Western avenues to build the recreation center under the optional method of development in the Central Business District (CBD) zone. This center is scheduled to open in January 2009.

The funding requested in the attached letter would provide \$380,600 for fixtures, furnishings, and equipment and \$11,500 for infrastructure maintenance and repair responsibilities for the first year. (Staff understands that the Center is not expected to open until May 2009). The Planning Board recommends the County as the source of funds because this is a regional recreational activity. Under the lease agreement, M-NCPPC will be the tenant of the property and M-NCPPC is in the process of entering into an Operating Agreement with MCRD. The Recreation Department has already included funding in its FY09 budget for staffing and custodial care.

Since funding for this was not included in the original request or in the Executive's recommendation, the funding should be placed on the Reconciliation List. It can also be put in the budget if there is an offsetting reduction. Staff supports placing the cost of the fixtures, furnishings and equipment on the Reconciliation List, but believes the cost of maintenance and repair should be funded through the Department of Recreation budget instead of the Parks Fund, since they will be the operators of the facility. With two separate agencies responsible for operating the same facility, there is a potential for overlap or ineffectiveness (e.g., where does "custodial care" end and maintenance begin). "Alternatively, the Committee could recommend delaying the opening of the center two months and not provide maintenance and repair funding in FY09.

Performance Measures

For many years the Council has asked the Parks Department to work on improving its performance measures. Recognizing the difficulty of this task, the Council suggested two years ago and then again last year that they focus on a performance measure for athletic fields that would measure the quality of the field and not just the frequency of maintenance. The FY09

budget did not address this request, but the Department has since submitted materials attached at © 6 to 18. Staff believes the attached materials are responsive to the Council's request and display real progress in improving performance measure.

The Department has developed an Athletic Field Inspection and Evaluation Program that will finally enable it to monitor the quality of fields (see program description on © 14 to 15 and the sample field evaluation sheet on © 16). The program will begin in September 2008 and hopefully they will have something to share at next year's budget worksessions. They have also developed a new survey vehicle to gauge users' level of satisfaction with field quality and conditions, permitting procedures and customer service (see © 17 to 18). Staff believes the Department should be commended for these efforts.

THE ENTERPRISE FUND

The Enterprise Fund accounts for various park facilities and services that are entirely or predominantly supported by user fees. (See pages 421 - 436 for a discussion of the Enterprise Fund.) Recreational activities include ice rinks, indoor tennis, conference and social centers, boating, camping, and nature center programs. (Midway through FY06, the Planning Board transferred operations of the Enterprise Fund Golf Courses to the Revenue Authority.) Operating profits are reinvested in new or existing enterprise facilities through the Capital Improvements Program. **The FY09 budget projects overall fund revenue over expenditures of \$598,700, but this net gain is based on an assumed subsidy of \$1,259,500 from the Park Fund, which is approximately double the FY08 subsidy.**

The proposed expenditures for the Enterprise Fund for FY09 are as follows:

FY08 and FY09 ENTERPRISE FUND EXPENDITURES			
FY08 Budget	FY09 Request	Change from FY08 to FY09	% Change from FY08 to FY09
\$9,777,000	\$10,399,100	\$622,100	6.4%
110.3 WY	104.6	-5.7	-5.2%

Revenues and Losses by Activity

The following chart indicates whether each of the Enterprise Fund activities has generated or is expected to generate a positive return in years FY06 through FY09. Since the subsidy to the ice rinks significantly impacts the net revenue, Staff has displayed the ice rink and total costs including a subsidy (which treats the subsidy as revenue) and excluding the subsidy (which shows the net revenue without a subsidy).

ENTERPRISE FUND REVENUE OVER/(UNDER) EXPENDITURES					
	Actual FY06	Actual FY07	Budget FY08	Estimate FY08	Proposed FY09
GOLF COURSES	(\$1,516,113)	(\$18,365)	(\$54,900)	(\$153,600)	\$41,600
ICE RINKS (including subsidy)	(\$119,713)	(\$409,750)	(\$243,800)	(\$603,500)	(\$135,500)
ICE RINKS (excluding subsidy)	(\$698,713)	(\$738,750)	(\$786,800)	(\$1,146,500)	(\$1,319,000)
INDOOR TENNIS	\$358,355	\$173,801	\$371,700	(\$101,500)	\$411,000
SOCIAL-CONFERENCE CENTERS	(\$82,284)	\$43,261	(\$92,500)	(\$121,400)	(\$116,100)
PARK FACILITIES	\$681,424	\$896,213	\$272,500	(\$25,200)	\$397,700
TOTAL (including ice rink subsidy)	(\$678,331)	\$685,160	\$253,000	(\$1,005,200)	\$598,700
TOTAL (excluding ice rink subsidy)	(\$1,257,331)	\$356,160	(\$290,000)	(\$1,548,200)	(\$584,800)

As the summary chart indicates, indoor tennis is expected to return to profitability after closures this year caused a decrease in revenues for FY08. The social conference centers will continue to experience a net loss as they have for most years. Park facilities are expected to once again become profitable after what was estimated in the fall to be an unusual year of losses. (Enterprise Fund Staff are revising their estimates of net revenues for the Committee worksession and now believe that net revenues will be positive in FY08.) Staff is most concerned with the trends associated with Ice Rinks and believes that this should be the focus of the Committee discussion on the Enterprise Fund.

Staff notes that the program budget highlights the fact that there are several services provided by the Park Fund to the Enterprise Fund that are not considered as Enterprise Fund expenditures and therefore represent a greater subsidy to the fund than indicated by the \$1.26 million subsidy shown on page 422 of the budget. For example, repairs performed by the Central Maintenance Division and Park Police services are generally paid for by the Park Fund. While Staff understands a decision to not charge for police services, maintenance costs should be charged to the appropriate fund.

Ice Rinks

The Cabin John and Wheaton Ice Rinks have had a negative cash flow for many years. M-NCPPC has indicated that this is due to the cost of simultaneously building two new facilities and the related large debt service (and has generally suggested that the Enterprise Fund would be profitable if it did not have to cover capital costs). At an annual cost of close to \$925,000, the debt service on the ice rinks clearly has a significant impact on net revenues. However, the trend of continually increasing losses at these facilities suggests it is not just the debt service that is a problem. The proposed FY09 budget shows expenditures rising at twice the rate of revenues relative to the previous year, even as debt service for these facilities will decrease. Expenditures will rise by 5.9% while revenues (excluding the subsidy) are expected to rise by 3.3%. If this trend continues, the Council will have to increase the subsidy to the Fund each year.

Staff understands that there are complexities to running ice rinks (not the least of which is the significant utility costs), but believes that there should be a thorough analysis by an outside entity to determine whether there any actions M-NCPPC can take to decrease costs or increase revenues. Staff recommends that the Committee support a management audit, similar to the one prepared for the golf courses, to assess the viability of the ice rinks and potential changes in

operation. If within the next year changes cannot be identified, Staff recommends that the Council explore alternative options for management, including private management or management by the Revenue Authority.

Enterprise Fund Subsidy

For the past three years M-NCPPC has asked for a subsidy to the Enterprise fund because revenues were not expected to cover costs. The Council has supported the subsidy, but has not agreed with the M-NCPPC assumption that a subsidy will be needed on an ongoing basis and instead continued to believe that the Fund's goal should be to be self sustaining. The Council asked M-NCPPC to develop a plan for phasing out the subsidy altogether over time.

This FY09 budget includes a subsidy of \$1,259,500, more than twice the \$619,000 approved in FY08. This includes \$25,000 for public service events at the Conference Centers, \$51,000 to subsidize losses at the conference centers and \$10,000 for a Therapeutic Ice Skating Program. The remainder is for debt service and losses at the ice rinks. The Executive did not support the subsidy, but did not provide any further guidance as to how the Fund would remain solvent without the subsidy.

Staff believes that the magnitude of this supplemental is reason for concern and has suggested further a management study of the ice rinks. Staff feels strongly that the M-NCPPC budget must include funds for a management audit (which may or may not be included in the Enterprise Fund Division).

The Committee may want to ask M-NCPPC to indicate whether any updated information regarding the current fiscal status provides a rationale for changing the amount of the subsidy. In FY07 the Council provided less than requested (reducing the request by more than one-third or \$250,000) with the direction that M-NCPPC determine some way to reduce operating costs or increase revenues to make up the difference. The Committee could consider such an approach again, but Staff does not believe that the reduction in the subsidy can be too great, given the other cutbacks throughout the Department of Parks.

THE ADVANCED LAND ACQUISITION REVOLVING FUND (ALARF)

The Advanced Land Acquisition Revolving Fund (ALARF) is used to acquire land needed for public purposes including parks, roads, school sites and other public uses. (See pages 457-458 for the discussion of the Advance Land Acquisition Fund.) There is an ALARF project description form (PDF) in the CIP, but ALARF is also shown in the operating budget because it is a revolving fund and repayments to the fund need to be held as an operating budget account.

The intent is for the agency or department that ultimately builds the project to repay ALARF, but as the Committee has discussed, repayment has not consistently occurred in the past. Although the Fund is a revolving fund, there is frequently a lengthy lapse in time before it is refunded and in some cases repayment does not occur. M-NCPPC held on to many millions of dollars in real

estate for many years for the Inter-County Connector (ICC) and has finally been repaid by the State. The Fund currently has a balance of over \$30,000,000. (The PHED Committee met last spring to discuss M-NCPPC's strategy for use of its very large ALARF balance and the Committee may want to schedule an update after budget.) All purchases using ALARF dollars must be approved by the County Council.

Whenever the Fund drops inappropriately low, M-NCPPC issues new bonds to restore the balance. M-NCPPC issued \$2,000,000 in Advanced Land Acquisition (ALA) bonds in FY05 and debt service began in FY05. For FY09 they recommend debt service of \$677,000, a decrease of \$32,000 or 4.5%. They are not requesting any change in the property taxes associated with ALARF, the proceeds of which are used to pay debt service (real property tax rate of \$0.001 per \$100 assessed value and personal property tax rate of \$0.003 per \$100 assessed value).

Staff recommends approval of the Advance Land Acquisition request.

THE PROPERTY MANAGEMENT FUND

The Property Management Fund provides for the oversight, management, maintenance, administration, and leasing of parkland and facilities located on parkland (see pages 295 and 417-418). A private property management firm handles the day-to-day management of approximately 57 residential properties, 29 agricultural leases and a variety of other uses on park land.¹ M-NCPPC projects increased revenue of \$34,800 (3.2%) due to renegotiated rents and new acquisitions. The budget indicates that Fund surpluses are used for historical restoration projects. The Executive recommended approval of the Property Management Fund as submitted. The funding request is as follows:

FY08 and FY09 PROPERTY MANAGEMENT FUND			
FY08 Budgeted	FY09 Request	Change from FY08 to FY09	% Change from FY08 to FY09
\$1,082,600	\$1,137,400	\$54,800	5.1%
3.5 WY	3.5 WY	0	0%

Although the budget indicates that the Property Management Fund is self-sustaining, there is over \$1.1 million recommended to be paid by the Park Fund in FY09 (see page 295). (This includes over \$700,000 in new initiatives that are not likely to be funded by the Council.) Last year, the Committee directed M-NCPPC to begin showing Park Fund costs as chargebacks to the Property Management Fund to better account for costs, but no change was made in the FY09 budget. Staff continues to believe that this change should be made, particularly for maintenance-related costs.

¹ Other uses include 3 office buildings, 7 ancillary facilities, 7 commercial leases, 6 equestrian centers, 5 life estates, 9 leases for County organizations, 20 public/private partnership sites, 8 parking lots, 4 cell towers, 3 fiber optic plants, 3 radio towers, 11 demolition buildings and 9 vacant properties.

Staff recommends approval of the Property Management fund and recommends that next year's budget include chargebacks for costs incurred by the Park Fund.

INTERNAL SERVICE FUND

The M-NCPPC budget includes three Internal Service Funds: for Risk Management, SilverPlace and Capital Equipment. Total expenditures for the Risk Management Fund are projected to increase by \$616,300 or 20%, due to increased costs for the new administrator and an increase in the number of pending high dollar value claims (page 461).

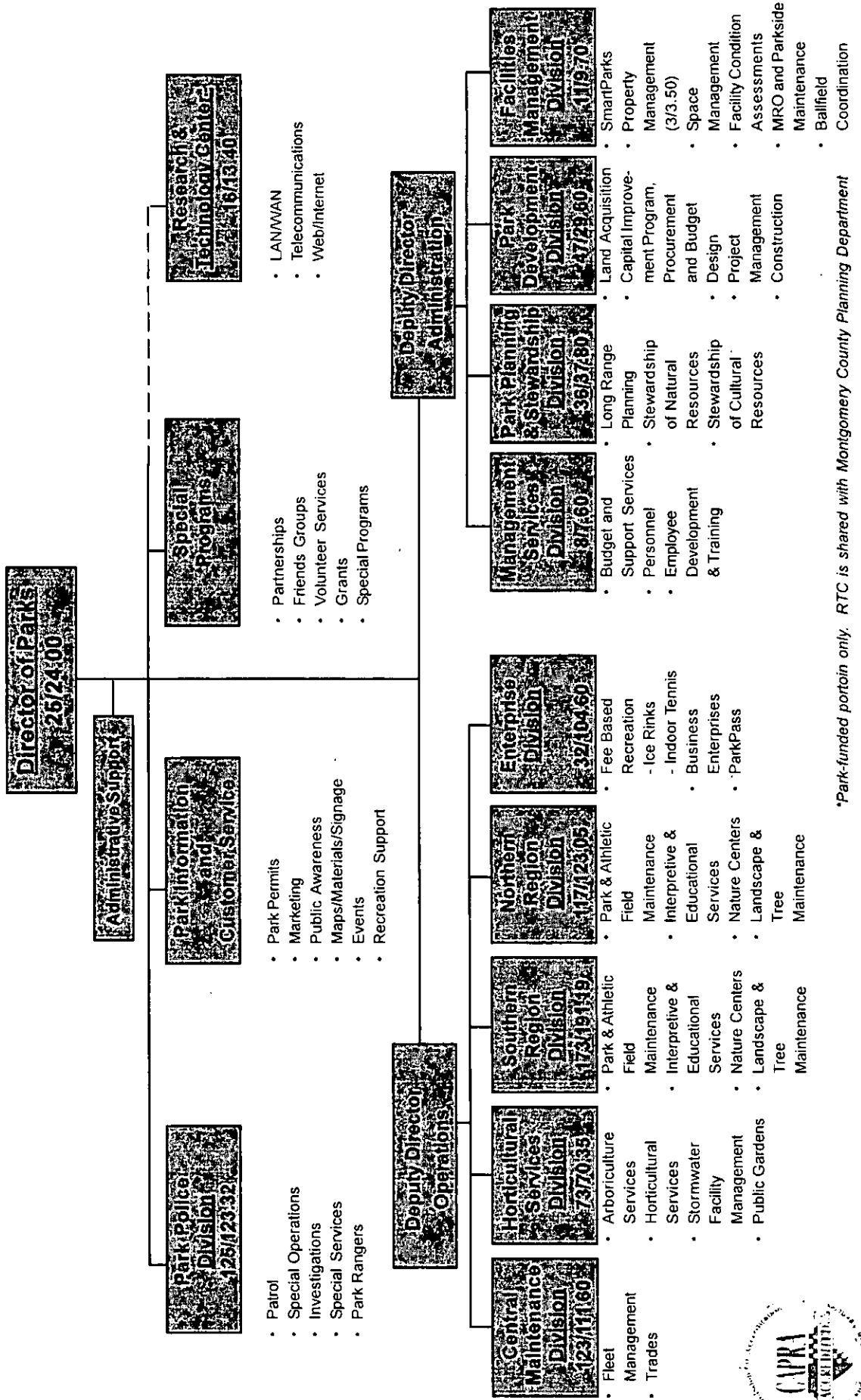
Expenditures associated with the development of SilverPlace have been allocated to the SilverPlace Internal Service Fund. The budget proposes to allocate revenues from the Administration and Park Funds to offset the cost of future debt service. Staff questions whether this is premature since the Council has not approved a construction project.

The Capital Equipment Service Fund was established to provide an economical method of handling large purchases of equipment (see page 465). The fund spreads the cost of an asset over its useful life instead of burdening any one fiscal year with the expense. Expenditures in FY09 are projected to decrease by \$8,100 or 0.4%.

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MONTGOMERY COUNTY DEPARTMENT OF PARKS

FY09 Positions/Workyears



*Park-funded portion only. RTC is shared with Montgomery County Planning Department



Park Fund - FY 09 Same Services Budget
(inclusive of debt service, exclusive of grants and reserve)

		% Over FY 08 Adopted Budget
<u>Park Fund: FY 08 Operating Budget</u>		
FY 08 Adopted Budget	75,845,700	-
FY 08 Approved Supplemental Appropriations*	675,000	
FY 08 Amended Budget	76,520,700	0.89%
<u>Increases to Meet Same Service Level in FY 09</u>		
GASB: 8 Year Phase-in of Post-Retirement Health Benefits	475,000	
Increases Utility Costs	345,700	
Increased Risk Management Costs	463,900	
Annualization of Salary and Benefits for 29 New Positions approved in FY 08	814,000	
Inflation in Supplies, Other Services, Capital Outlay	607,300	
Operating Budget Impact of Capital Projects	636,600	
Increased Debt Service Payments	45,800	
Employee Compensation Increases	3,318,800	
Increased Employee Benefit Costs	1,674,200	
Sub-total: Increases	8,381,300	
FY 09 Same Services Budget**	84,902,000	11.94%
* Approved FY 08 Supplemental Appropriations include \$367,000 for Maintaining MCPS Athletic Fields, \$106,000 for a 2 Term Contract Positions to Review Park Impacts of the ICC Project, and \$202,000 to Fund Personnel Costs in Excess of Budgeted Lapse		
** Executive's Recommended Budget, for Comparison	79,633,370	4.99%

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Variance Compared to:

Park Fund Expenditures	Planning Board Request	Same Services Budget	Executive's Recommended Budget	FY 08 Amended Budget	FY 08 Adopted
Planning Board Request	\$0	\$5,745,700	\$11,014,330	\$14,127,000	\$14,802,000
Same Services Budget	(\$5,745,700)	\$0	\$5,268,630	\$8,381,300	\$9,056,300
Executive's Recommended Budget	(\$11,014,330)	(\$5,268,630)	\$0	\$3,112,670	\$3,787,670
FY 08 Amended Budget	(\$14,127,000)	(\$8,381,300)	(\$3,112,670)	\$0	\$675,000
FY 08 Adopted Budget	(\$14,802,000)	(\$9,056,300)	(\$3,787,670)	(\$675,000)	\$0
NON-RECOMMENDED Park Fund Reductions / Savings Measures					
Non-Recommended Reductions: Improvements and Initiatives					
Impacted Program	Savings Measure	Reduction	Consequences If Not Funded	Revised Budget Request if Reduction Accepted	
None	8 Year vs. 5 Year Phase-in of Post Employment Health Benefits - GASB 45	(\$340,000)	Estimated of savings from longer phase-in (8 years) See Attachment A. Planned improvements to service delivery across multiple programs are forfeited.	\$90,307,700	
Crosscutting	Eliminate All FY 09 New Initiatives	(\$2,978,400)	See Attachment C. Planned gains in service delivery are forfeited. Will intentionally freeze or delay hiring of equivalent to 24 WY throughout year; preventing staffing at desired levels to meet maintenance standards and service delivery targets.	\$87,329,300	
Crosscutting	Eliminate All Base Budget Improvements	(\$634,300)		\$86,695,000	
Crosscutting	Increase Salary Lapse from Requested 4.5% to 7.5%.	(\$1,793,000)		\$84,902,000	Same Services \$84,902,000

Planning Board Request \$90,647,700

A	B	C	D	E	F	G	H	I
19	Non-recommended Reductions: Cuts below FY 08 Same Services							
20	Impacted Program	Savings Measure	Reduction	Consequences if Not Funded	Revised Budget Request if Reduction Accepted			
21	Third Party Support	Discontinue MCPS Ballfield Maintenance Contract	(\$712,000)	172 Athletic Fields at 71 elementary and middle schools will deteriorate unless MCPS provides maintenance.	\$84,190,000			
22	Park Activity Buildings	Close, Transfer, or Demolish 23 Park Activity Buildings and 3 Ancillary Buildings.						
23	Meeting & Gathering Places	Do not open Wisconsin Place Community Recreation Center until FY 10	(\$430,000)	See Attachment E. A brand new recreation center built as an amenity by a developer will remain shuttered for its first year.	\$83,760,000			
24	Crosscutting	Eliminate Several Information Technology Support Projects	(\$392,100)	See Attachment D. Efficiencies through technology will be forfeited.	\$83,367,900			
25	Crosscutting	Reduce Employee Development & Training Budget by 25%	(\$230,000)	Across the board reduction in service delivery.	\$83,137,900			
26	Third Party Support	Discontinue Support to / cancel Special Events (Fair, Arbor Day, Oktoberfest, Kids Fest, Marathon, Iranian Festival, July 4th Fireworks, more.)	(\$40,000)	Reduced employee efficiency.	\$83,097,900			
27	Crosscutting	Implement Retirement Incentives to Increase Turnover and Reduce Salaries.	(\$75,000)	Events will be cancelled, or event supporters will be required to bear the full cost of supporting the event.	\$83,022,900			
28	Crosscutting	Eliminate / Reduce 25% of Professional and Maintenance Service Contracts	(\$350,000)	Across the board reduction in service delivery. Unpredictable cost / benefit.	\$82,672,900			
29	Crosscutting	Cut Overtime 20%		Cuts to tree maintenance contracts, stormwater management maintenance contracts, organizational development consultants, use and visitation surveys, customer service surveys, and infrastructure condition assessments.	\$82,322,900			
30	Horticulture	5% Selective Service Reductions (Program 55WY; \$5.3M)	(\$350,000)	Across the board reduction in service delivery and policing. Compromised ability to respond including weekend coverage at parks when they are at peak use.	\$82,182,900			
31	Managed Open Space	5% Selective Service Reductions (Program 93WY; \$8.5M)	(\$265,000)	Eliminate / cut back Spring and Summer annual planting program, interior plant program, and composting program.	\$81,917,900			
32	Natural Resource Management	Reduce Non-native Invasive Plant Management and Management of White Tailed Deer Programs by 15%	(\$425,000)	See Attachment F. An overall reduction in the physical condition and appearance of park open spaces, urban parks, and neighborhood parks. More litter, higher grass, less frequent policing, facilities in disrepair. More complaints.	\$81,492,900			
33	Crosscutting	Absorb Inflationary Increases in Supplies, Other Services, and Capital Outlay	(\$110,000)	More invasive plants; more deer. Declined biodiversity and ecosystems. More complaints.	\$81,382,900			
			(\$507,300)	See Attachment B. Across the board reductions in service delivery.	\$80,775,600			

Non-recommended Reductions: Cuts below FY 08 Service Levels

A	B	C	D	E	F	G	H	I
34	Crosscutting	Forego Operating Budget Increase of Capital Projects (OB)		Funding for maintenance, policing, and utility costs for new facilities opened in FY 08 & FY 09 will not be available. Services can only be provided by an across the board reduction in policing and maintenance.	\$80,139,600			
35	Crosscutting	Implement Full Year Hiring Freeze Elevating Lapse Rate by 1.0% Beyond WY Lost by Accepting Any of the Non-Recommended Reductions Listed Above.	(\$536,000)					
36	Organized Sports	Raise Athletic Field Usage Fees (Note: This is an increase in revenue, shown for this purpose as an expenditure reduction.)	(\$406,230)	Across the board reduction in service delivery. Key positions will remain unfilled.	\$79,733,370			
37			(\$100,000)	Phased-in increase of fees to users.	\$79,633,370	Executive's Budget \$79,633,370		
38		Subtotal: Non-recommended Reductions	(\$11,014,330)					
39	Increases Maintained within Budget Request							
40								
41								
42		GASB 45	\$475,000					
43		Utilities	\$345,700					
44		Risk Management	\$463,900					
45		Annualization	\$814,000					
46		Debt Service	\$45,800					
47		Employee Compensation	\$3,318,800					
48		Employee Benefits	\$1,674,200					
49								
50		Total	\$7,137,400					

Increase Revenue for Athletic Fields

The Department is preparing a recommendation to the Board to revise the athletic field permit fees. The recommendation has not yet been reviewed or approved by the Board, nor has it been vetted through the applicable user groups. We are proposing to move to an hourly athletic field rate for all park fields.

The purpose of introducing an hourly athletic field fee is to:

1. Discourage over-permitting and non-use of fields by large organizations,
2. Provide more opportunities for new groups to gain weekend and other field time, and
3. Help offset the increasing costs of field maintenance and renovation for our heavily used fields, and
4. Bring our athletic field fees more in line with those charged by other regional jurisdictions.

Background

Demand for athletic field time has increased significantly. New groups are established each year, existing groups are growing in size, and both are requesting more fields every season. Rectangular field overlays on existing diamond fields have been created to improve our capacity to meet the increasing demand for rectangular sports.

Currently, athletic field use policy prioritizes field allocation based on the previous year's assignments. Several users reserve field time they don't actually use, leading to frustration on the part of other user groups who are denied permits year after year for fields sitting vacant.

A switch to an hourly fee schedule is being proposed to encourage user groups to release unneeded fields with enough time for new permits to be issued. The fees recouped will enable the Department to offset the high cost of maintaining and renovating such highly used fields.

Comparative research of fees charged by neighboring jurisdictions was conducted by staff (see table on following page). As you can see, there is no conformity: some jurisdictions charge different fees for rectangular vs. diamond fields, others for adults vs. youth, and still others for different sports; some have seasonal rates, others charge one-time users a higher hourly fee, and others charge higher fees for lit fields.

User groups are now able to permit an unlimited number of Montgomery Parks' local park fields for a single \$48 administrative fee, and our regional and recreational park fields can be permitted for a \$25-\$50 per game fee (usually 1 ½ - 3 hours). Staff believes we should continue to offer a lower fee structure for our local fields, but strongly supports an overall transition to hourly fees for use of all park athletic fields.

Regional Fee Comparison

As of April 2008

Jurisdiction	Fee Charged	Comments
Fairfax County, VA	\$40/hour grass fields \$90/hour synthetic fields	Same fees are charged for rectangular and diamond fields.
Howard County, MD	\$24/hour for adult seasonal use (all fields) \$14/hour for youth seasonal use (multipurpose fields) \$8/hour for youth seasonal use (diamonds) \$30/hour for youth and adult seasonal use of lit fields \$40/hour for one time use of grass fields \$75/hour for one time use of synthetic turf fields \$100/season per unit field per day of the week \$220/season per lit field per day of the week \$40/tournament per unit field per day \$75/tournament per lit field per day	
Frederick County, MD	\$10/four hours of public use for unit fields \$75/four hours of public use for lit fields \$50/hour for lit fields \$30/hour for unit fields	\$100 security deposit required for each field requested.
Arlington County, VA	\$85-100/hour for lit synthetic turf fields \$350/10 week season (10 games) for league use of softball fields \$750/10 week season (20 games) for league use of softball fields \$120/game for single game college softball	Same fees are charged for rectangular and diamond fields.
Anne Arundel County, MD	\$85/game for in-county college baseball \$160/game for out of county college baseball \$75/game for in-county high school baseball \$130/game for out of county high school baseball \$80/game for in-county adult baseball \$120/game for out of county adult baseball \$45/hour for multipurpose fields \$48/season (local fields)	League fees are the equivalent of \$35/game.
Montgomery County, MD Montgomery County Department of Parks	\$25-\$55/game (regional/recreational fields)	\$48 is an administrative fee. There is no extra fee for local field use regardless of the number of hours or fields permitted.

Revenue Impact

Assuming the proposed hourly fee increase is approved by December 1, 2008, the Department anticipates an increase in the estimated revenue for athletic fields of at least \$100,000 in FY09 to help meet the Council's request for non-recommended reductions in the Department of Parks budget.

It is important to note, however, that a switch to hourly fees may result in a decrease in the amount of permitted time requested which would lower the actual revenue.

User Impact

The proposed fee change will not have much of an impact on one-time users: a one-time user fee of \$50 will be instituted, replacing the current administrative fee of \$48. The largest impact will occur for the frequent users, which include:

- Montgomery Soccer, Inc.
- BCC Baseball
- Damascus Soccer Club, Inc.
- Montgomery County Recreation Department

Though this new fee structure will certainly be more in line with the fees charged by other regional jurisdictions, it does represent a considerable jump in expenses for the biggest users of park fields. It is worth noting, however, that many of these user groups generate considerable revenue themselves through program fees.

This change in fee structure will hopefully encourage the largest users to release or not request a permit for fields they do not need, which would both reduce their overall cost and free up those fields for other groups' use. The Department may consider a frequency discount and/or a phased approach for local field fee increases to ease the burden on the frequent users during the transition.

Potential Consequences

The increase in fees could potentially result in an initial decline in the amount of permitted play and an increase in the amount of unpermitted, walk-on play as some groups try to find a way around paying the higher fees. Most organized groups have a set game or practice schedule, however, and therefore need to ensure dedicated field time is available. These groups are unlikely to wager on the availability of unpermitted fields.

Should some groups decide to forego the permitting of fields and take their chances with walk-on use, there may be an increase in user-user conflicts (as unpermitted groups vie for open fields) and user-neighbor conflicts. As we know, unpermitted use is more difficult to control and requires greater resources to manage. This would need to be closely tracked and monitored by park staff.

Fees for the general public to participate in programs offered by our user groups are likely to increase as groups pass the fee increase on to their participants. This could impact the level of

participation in programs offered by these groups, which could in turn impact the total number of fields needed. This, and the other factors listed in this section, may result in a decrease in the total number of hours booked and thus revenue would likely be lower than projections based on historical use indicate.

MONTGOMERY COUNTY DEPARTMENT OF PARKS PERFORMANCE MEASUREMENTS

The Department of Parks has worked on developing and tracking performance measures for many years. The initial efforts mostly focused on developing and tracking maintenance standards and reporting outputs in the various divisions. We are refining our maintenance standards as part of the infrastructure condition assessment project with the assistance of Facility Engineering Associates (FEA). We now have complete preventative maintenance standards for many of our buildings, playgrounds, and hard surface trails. The next step is moving to more service quality measures. Staff has diligently worked on creating new performance measurements since August, 2007. The Commission Executive Director, Oscar Rodriguez, conducted an orientation on performance indicators and followed up with a one day training session, led by a consultant from ICMA Center for Performance Measurement, International City/County Management Association. Prior to and after those training sessions, John Henderson, Central Administration Services Standards and Practices Officer has consistently worked with a park staff committee to develop on-going performance measures. Mr. Henderson also served as coordinator for the Commission's CAPRA Accreditation (Commission for Accreditation for Park and Recreation Agencies) when the Commission was accredited four years ago.

The staff committee chose five categories to focus on: Athletic Fields, Indoor Tennis, Natural Resource Management, Cultural Resources, and Playgrounds. Attached you will find draft Performance Measurements, some include baseline data, others are still in progress.

Staff concentrated much effort on Athletic Fields. We are including a sample satisfaction survey for athletic field users, a sample inspection sheet for athletic field quality, and a document outlining the proposed methodology and evaluation techniques for both items.

With the educational training, hands on work experience, and knowledge gained, staff now feels more comfortable in understanding Performance Measurements and how to improve and increase in forthcoming years.

Athletic Fields

In addition to Performance Measurements, another staff committee has been engaged in improving overall field usage. A comprehensive manual for athletic field care and maintenance has been created, which includes field inventory, regional, recreational and local park field maintenance standards, school field maintenance standards, turf renovation program standards, a refined template for Adopt-A-Field agreements, signage for fields under renovations, and more

Staff has recently drafted a new athletic field use permitting policy that begins to address the need to better manage use of park fields. This draft policy has been vetted by CUPF, the Recreation Department, and the Countywide Recreation Advisory Board. Staff anticipates presenting a draft for Planning Board approval this summer.

The field renovation program is on-going and at least ten additional athletic fields will undergo extensive renovation this fall. Signage will be installed asking citizens not to play on the fields and Park Rangers will assist in restricting usage.

The Department will continue to educate the public on field use regulations and procedures, and remains committed to working with partner agencies and users to find a mutually acceptable approach to balancing the use and maintenance of these popular facilities.

Department of Parks

Draft Performance Measures

Natural Resource Management

Performance Measure	Actual FY06	Actual FY07	Estimated FY08
% of parks with significant open habitats ¹ with an implemented Habitat Management Plan	6%	13%	18%
% of parks with significant natural areas ² with a current completed natural resources inventory	10%	24%	24%
# of acres of NNI treated	275	431	400
% of parks with significant natural areas ² with a deer management program (# acres)	59% (15,570)	55% (14,673) ³	56% (14,933)
% managed areas meeting deer management goals	86%	73%	85%
# of volunteer hours devoted to natural resources management	4700	4800	5000

¹Parks with "significant open habitats" are parks with non-forested natural habitat including meadows, shrub areas, wetlands, mixed habitats

²Parks with "significant natural areas" are parks > 50 acres that have most of their area in natural vegetation – this is currently about 26,500 acres.

³Reduction in FY07 is due to movement of golf courses to Revenue Authority, at which time they were dropped from hunt schedule.

Indoor Tennis

Performance Measure	Actual FY06	Actual FY07	Estimated FY08*
% of revenue under/over expenditures	29.5%	13.4%	-30%
% of seasonal lottery applications granted vs. turned away	79.2%	77.4%	68.9%
% of respondents who would recommend the facility or program to friends or family	Not Available	80%	100%
% of court hours booked vs. available time (average of summer and winter use)	41.4%	47%	24.1%
% of group lessons offered vs. actually held	68.7%	71.2%	89.8
% of repeat spot time users	Not Available	41.2%	40%

Note - * Wheaton Tennis closed most of FY08, C.J Tennis closed mid-August thru November.

Draft Performance Measures In Development

Cultural Resources

Performance Measure
% of historic structures/sites endangered
% of historic structures/sites stabilized
% of historic structures/sites rehabilitated
% of historical sites slated for interpretation currently open to the public 1.
% increase in visits to historic sites
% of respondents who would recommend facility/program to friends or family

Notes: 1. Sites slated for interpretation currently open to the public reflects the long-term goals of the Cultural Resources Stewardship Section rather than the short-term goals. Long term goals may all for a site to be open on a regular basis and, if it is not open on such a basis currently, it would be considered open.

Playgrounds

Performance Measure
% playgrounds inspected within 30 days 1.
% playgrounds inspected within 31-60 days
of work requests generated from inspection
of playground beyond useful life
% of playground beyond useful life

Note: 1. 30 day inspection cycle is the Departments frequency target.

4-21-08

Athletic Field Inspection and Evaluation Program (AFIE)

The Department has developed the Athletic Field Inspection and Evaluation Program (AFIE) to measure our level of success in managing our highly used athletic fields. The program is outlined below. The department plans to implement the AFIE program in September 2008.

AFIE's inspection component initially focuses our inspection work on the rectangular fields in our local parks which are our most heavily used fields and biggest "hot spots." Future work will include expansion of the inspection component of this program to include diamond fields as well as fields in our regional and recreational parks.

A second component of the program is the customer satisfaction survey. This will measure user satisfaction with field quality and the overall permitting experience, and identify areas where greater effort is still needed.

Field Inspection Methodology

The AFIE program proposes regular, standardized inspection of all fields returning to play from the annual turf renovation program. After renovation these fields should be in the best condition possible and will therefore provide a solid baseline against which to measure the rest of our inventory. Each field will be evaluated at the time it is closed (prior to renovation) for comparison purposes, and then regular inspections begin the following year when the field is returned to play.

Typically, 10-12 of our local fields are closed for renovation each year and then returned to full use at the end of that one year period. The proposed new athletic field use policy (still in review with user groups) recommends that during the year after renovation these fields be limited to only 50% of their previous year's use. We hope this return to limited use will increase the "life expectancy" of these fields while avoiding total displacement of regular users for a second year.

Field inspections and data collection will be performed on a regular basis by the Ballfield Coordinator and other trained staff. Inspections will be performed in September when the fields are returned to play, and then again in November, April, June and August.

In the first year, AFIE will monitor the ten fields emerging from the renovation program. In the second year, there will be twenty: the ten previously renovated fields (now entering their second limited-use year) and the ten fields just emerging from the most recent renovation program. In the third year, the ten original fields will revert back to regular use and drop out of the AFIE program and ten new fields will be added. After the initial year, there will be twenty fields in the AFIE program on an annual basis.

Inspections will be a combination of visual inspection, mechanical measurements and photographic cataloging. Visual inspections will evaluate turf coverage, wear patterns and depressions that create drainage problems. A penetrometer will be utilized to measure soil compaction which speaks to both turf health and the hardness of the field. Each field will be photographed at the time of inspection providing a permanent visual record of the field conditions for future reference and comparison.

A field inspection sheet (of which a draft has been provided) will be used to capture the data from each field visit. This sheet captures the annual data for each field so the change in conditions from one inspection to the next can be easily reviewed.

The data captured on these sheets will be collected and entered into a database to facilitate monitoring and reporting. A web-based database will be created so data can be entered simultaneously by inspection staff in different geographic locations and automatically merged. Data in spreadsheet form and reports would be available anytime after the completion of the first year of inspections.

User Satisfaction Survey Methodology

A customer satisfaction survey card has been developed to regularly gauge our users' level of satisfaction with field quality and conditions, permitting procedures, and the customer service provided (a draft copy has been provided). These are simple, easy-to-complete, two-sided cards that fit into a regular business envelope.

These satisfaction cards will be sent with a pre-paid envelope in the regular biannual mailings our users currently receive to avoid additional postage fees. For the first year, league organizers will be sent multiple copies of the cards to distribute to all of the coaches in their leagues. Our application forms are in the process of being updated to capture the coaches' contact information so future survey mailings can be sent directly to them.

Data from the returned survey forms will be entered into a database as they are received, and reviewed regularly.

FIELD EVALUATION SHEET

Inspector name: _____

Field name/#: _____

Field location: _____

	Date of Inspections	Field Ranking			
		Turf Coverage	Goals & Center Field	Soil Compaction	Other Observations
1.					
2.					
3.					
4.					
5.					
6.					
Average Ranking:					

Ranking Key

Turf Coverage

- 4 = full turf coverage
- 3 = some wear at goal mouths/center field
- 2 = goal areas/center field bare of all turf
- 1 = center 1/3 of field from goal to goal showing extreme wear or barren

Goals/Center Field

- 4 = full/partial turf coverage
- 3 = without turf, not depressed
- 2 = without turf, holding water but draining
- 1 = without turf, holding excessive water

Soil Compaction

- 4 = XXXpsi
- 3 = XXXpsi
- 2 = XXXpsi
- 1 = XXXpsi

**Montgomery
Parks wants
to know...**

**How are
we doing?**

**Montgomery
Parks**
M-N-C-P-C
It's all right here!

Help us serve you better...

Please complete the following survey and return it to us in the postage-paid envelope provided. THANK YOU!

Date	Coach name	Organization name
Contact phone no. or email address		
Season completed	Sport played	<input type="checkbox"/> Youth <input type="checkbox"/> Adult

**Were you satisfied with the fields
you received?**

Location	YES	SOMEWHAT	NO
Safety	YES	SOMEWHAT	NO
Field condition	YES	SOMEWHAT	NO
Quantity	YES	SOMEWHAT	NO

**If you found a field to be unsatisfactory, please
list it below and let us know why:**

Field name
Complaint
Field name
Complaint

We welcome your comments and suggestions:

ACCESS TO PERMIT INFORMATION

1

100

[illegible][illegible]